

SENATE BILL 271

Q3, F5

4r1144
CF 4r0512

By: **Senators Jacobs, Brinkley, Colburn, Edwards, Getty, Glassman, Hershey,
Jennings, Reilly, Shank, and Simonaire**

Introduced and read first time: January 17, 2014

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit – Home Instruction Expenses**

3 FOR the purpose of allowing a parent or guardian a credit against the State income
4 tax for certain home instruction expenses; providing that the credit may not
5 exceed a certain amount; providing that the credit may be carried forward to
6 another taxable year; requiring the Comptroller, in consultation with the State
7 Department of Education, to adopt certain regulations; defining certain terms;
8 providing for the application of this Act; and generally relating to a State
9 income tax credit for certain home instruction expenses.

10 BY adding to

11 Article – Tax – General

12 Section 10–736

13 Annotated Code of Maryland

14 (2010 Replacement Volume and 2013 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article – Tax – General**

18 **10–736.**

19 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
20 MEANINGS INDICATED.

21 (2) (I) “HOME INSTRUCTION EXPENSE” MEANS THE COST OF
22 MATERIALS OR SUPPLIES USED AS PART OF A HOME INSTRUCTION PROGRAM.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) “HOME INSTRUCTION EXPENSE” INCLUDES COSTS FOR:**

2 1. CORRESPONDENCE COURSES OR DISTANCE
3 LEARNING PROGRAMS;

4 2. INSTRUCTION-RELATED MATERIALS;

5 3. TEXTBOOKS; OR

6 4. WORKBOOKS.

7 **(3) “HOME INSTRUCTION PROGRAM” MEANS A PROGRAM**
8 **AUTHORIZED UNDER AND OPERATED IN COMPLIANCE WITH COMAR**
9 **13A.10.01.01 THROUGH 13A.10.01.05.**

10 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A PARENT OR**
11 **GUARDIAN MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN AN**
12 **AMOUNT EQUAL TO THE HOME INSTRUCTION EXPENSES INCURRED BY THE**
13 **PARENT OR GUARDIAN DURING THE TAXABLE YEAR.**

14 **(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS**
15 **SECTION MAY NOT EXCEED THE LESSER OF:**

16 **(I) \$1,000; OR**

17 **(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE**
18 **YEAR.**

19 **(2) IF THE CREDIT OTHERWISE ALLOWABLE UNDER SUBSECTION**
20 **(B) OF THIS SECTION EXCEEDS THE LIMITATION UNDER PARAGRAPH (1) OF THIS**
21 **SUBSECTION, A PARENT OR GUARDIAN MAY APPLY THE EXCESS AS A CREDIT**
22 **AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE**
23 **EARLIER OF:**

24 **(I) THE FULL AMOUNT OF THE EXCESS IS USED; OR**

25 **(II) THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER**
26 **THE TAXABLE YEAR IN WHICH THE HOME INSTRUCTION EXPENSE WAS**
27 **INCURRED.**

28 **(D) (1) THE COMPTROLLER, IN CONSULTATION WITH THE STATE**
29 **DEPARTMENT OF EDUCATION, SHALL ADOPT REGULATIONS TO CARRY OUT THE**
30 **PROVISIONS OF THIS SECTION.**

1 **(2) THE REGULATIONS ADOPTED UNDER PARAGRAPH (1) OF THIS**
2 **SUBSECTION SHALL PROVIDE FOR VERIFICATION OF:**

3 **(I) THE AMOUNT OF HOME INSTRUCTION EXPENSES**
4 **INCURRED; AND**

5 **(II) PARTICIPATION IN A HOME INSTRUCTION PROGRAM.**

6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
7 July 1, 2014, and shall be applicable to all taxable years beginning after December 31,
8 2013.